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Mail Out MSO# 2000-14

**TO: ALL SMALL OFF-ROAD ENGINE MANUFACTURERS**

**SUBJECT: Format for Manufacturer Certification and Production Emission Reduction Credit Program for New Engine End-of-Year and Final Reports**

The purpose of this mail out is to provide manufacturers with a standardized electronic and hardcopy format for use in submitting end-of-year and final reports for those engine families participating in the Certification and/or Production Emission Reduction Credit Programs. Engine families produced in the 2000 and later model years are eligible to participate in the Certification Emission Reduction Credit Program provided the engine family is certified to a family emission limit (FEL). Participation in the Production Credit Program is available to any 2000 model year or later engine family meeting the applicable requirements of the small off-road engine (SORE) regulations (California Code of Regulations, Title 13, Sections 2400 to 2409).

## Reporting Guidelines for Certification Credit Program

The provisions for averaging, banking and trading emission credits for the Certification Credit Program are defined in Title 13, Section 2408. Manufacturer end-of-year reports required for the Certification Credit Program are due within 90 days of the end of the model year, and final reports must be submitted within 270 days of the end of the model year, unless a delay is approved by the Air Resources Board (ARB) Executive Officer. Manufacturer participation in the Certification Credit Program is voluntary, but if a manufacturer elects to participate at the time of certification, end-of-year and final reports are required. Failure to submit any end-of-year or final report for engines subject to these regulations within the specified time is a violation of the SORE regulations Section 2403 for each engine (Section 2408(i)(4)).

To report certification emission reduction credits for participating engine families, manufacturers must provide the actual model year sales volume, the data necessary to calculate the credits as defined in Section 2408(f), and the number of credits or debits generated by each engine family. Credit accrual for this program is limited to hydrocarbon plus nitrogen oxides (HC+NOx or NMHC+NOx, as applicable) and particulate matter (PM) emissions. The ARB-specified electronic file format for reporting the engine family end-of-year and final report certification credit information is provided in Attachment 2, the Engine Family Certification Credits File.

In addition to the certification credit information for end-of-year and final reports for each engine family, manufacturers must also submit how and where credit surpluses were dispersed and show how and through what means debits were met. Transfer information regarding trades must be submitted, and a manufacturer must also include a calculation of credit balances to show that the credit summation for each class of engines is equal to or greater than zero. However, if, as a result of production line testing as required in section 2407, an engine family is determined to be in noncompliance, the manufacturer may raise its FEL for past and future production as necessary. Further, a manufacturer may carry a negative credit balance (known also as a credit deficit) for the subject class and model year forward to the next model year. The credit deficit may be no larger than that created by the nonconforming family.

The Certification Summary Credits File contained in Attachment 3 provides the electronic format for manufacturers to use in submitting their summary credit information at the end of a model year. This file includes the end of model year credit balances for each engine class for HC+NO<sub>x</sub> and PM, the number of credits acquired through trading, the number of credits traded, how many credits were transferred from the Production Credit Program to the Certification Credit Program, and the total credit balance available to the manufacturer combining the credits banked from this and previous model years. A suggested Certificate of Transfer document recommended for use in submitting copies of contracts required by Section 2408 (i)(1) is provided as Attachment 9.

#### Reporting Guidelines for Production Credit Program

The Production Credit Program defined in Section 2409 can be used for accruing HC+NO<sub>x</sub> and PM emission credits. Any manufacturer who elects to participate in the Production Credit Program is required to submit a year-end production credit report which shows the calculation of credits from production line testing for each qualifying engine family for the model year. This report is due within 90 days of the end of the production testing of a given model year's engine families. Manufacturers may submit corrections to the end-of-model-year reports in a final report up to 270 days after the end of production testing. A manufacturer that fails to submit a timely end-of-year report will be considered to be not participating in the Production Credit Program for that model year (Section 2409 (h)(4)).

The Engine Family Production Credits File contained in Attachment 5 provides the electronic format for manufacturers to use in reporting the HC+NO<sub>x</sub> and PM credits generated for each participating engine family. To qualify for this credit program, engine families using the cumulative (cum) sum sampling method must have tested the number of engines required by the cum sum statistical calculations for the model year, and engine families using the quality audit one percent sampling method must have tested a minimum of 10 engines during the model year.

The Production Credits Summary File contained in Attachment 6 is the electronic format for manufacturers to use to show how production credits have been

applied for the model year. As a part of end-of-year and/or final reports for the model year, manufacturers are required to summarize the number of production credits generated for the given model year, the number of credits acquired or traded, the number transferred to certification, and the production credit balance banked for the model year.

Production Credit end-of-year reports are due within 90 days of the end of a manufacturer's production testing for a given model year. Corrections to this end of the year report may be made in a final report for a period of up to 270 days after the end of the model year. Attachment 7 contains the production credit report hard copy format to be submitted with the electronic files.

#### Summary of Attachments

Attachment 1 gives guidance to manufacturers regarding the data base structure and the submittal of electronic files and hard copy reports. Attachment 2 and 3 provide the data file structure for the Certification Credit Program end-of-year and final reports. Attachment 5 and 6 provide the data file structure for the Production Credit Program end-of-year and final reports. The hard copy print out formats for the Certification and Production Credit Programs files are provided in Attachments 4 and 7, respectively. Attachment 8 lists a four-letter manufacturer identification code as has been used in earlier SORE reporting mail outs. Attachment 9 is the recommended format for manufacturers to use for providing documentation of credit trades between companies.

To ensure accuracy and confidentiality, the ARB recommends that manufacturers submit their electronic files on 3.5 inch floppy disks or CD's along with the hard copies of the reports. To assist manufacturers in the use of the ARB-specified report formats; templates for the four electronic file formats and the Microsoft Access hard copy formats may be downloaded from the ARB web site at:

<http://www.arb.ca.gov/msprog/mailouts/mailouts.htm>.

Manufacturers may also request to have the file templates mailed to them on a 3.5 inch floppy disk.

For a copy of the disk or for questions about the year-end or final reports, please contact Mr. Paul Adnani of my staff at (626) 459-4476.

Sincerely,

/s/

R. B. Summerfield, Chief  
Mobile Source Operations Division

Attachments